



Town of Pikeville

February 13, 2019

Joint Legislative Committee on Local Government
North Carolina General Assembly
Legislative Building
16 West Jones Street
Raleigh, North Carolina 27601
Attention: Committee Chairs and Committee Assistant

Fiscal Research Division
North Carolina General Assembly
Legislative Office Building
Suite 619
300 North Salisbury Street
Raleigh, North Carolina 27603-5925

Re: Financing of Water and Sewer System Improvements by the Town of Pikeville,
North Carolina

Ladies and Gentlemen:

In accordance with Section 120-157.2(a) of the General Statutes of North Carolina, as amended, the Town of Pikeville, North Carolina (the "Town") hereby notifies you of its intent to issue water and sewer system revenue bonds (the "Bonds") pursuant to The State and Local Government Revenue Bond Act, Article 5 of Chapter 159 of the General Statutes of North Carolina, as amended, in the expected aggregate principal amount not to exceed \$2,231,000 to finance the cost of various improvements to the Town's water and sanitary sewer systems, including, without limitation, (a) the replacement and rehabilitation of existing sanitary sewer lines, (b) the acquisition of land and improvements to the Town's spray irrigation system, (c) the construction of a new irrigation storage structure, and (d) the extension of a potable water line to the Town's existing wastewater treatment plant and various other improvements to the Town's existing wastewater treatment plant (collectively, the "Project"). The Town has received commitments from The United States Department of Agriculture – Rural Development ("USDA") to purchase the Bonds upon completion of the Project. In the interim, the Town intends to issue its water and sewer system revenue bond anticipation notes (the "Notes") to initially finance the construction of the Project (\$880,000 of Notes have been previously issued by the Town to finance certain initial costs of the Project). Once the Project is completed, the Town will refinance the maturing Notes with the proceeds of the Bonds to be purchased by USDA. The term of the Bonds will be approximately 40 years from the date of issuance thereof as required by the USDA. The term of the Notes will be approximately two years or less from the date of issuance. Both the Bonds and the Notes will be secured solely by the net revenues of the Town's water and sewer system.



Town of Pikeville

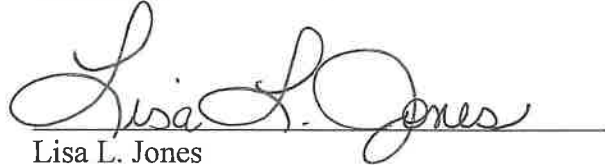
February 13, 2019

Page 2

This notice is intended to supplement a notice dated June 8, 2015, which was previously submitted to you by the Town in connection with the same Project described above.

Please let me know if any further information is needed.

Sincerely,



Lisa L. Jones
Town Administrator
Town of Pikeville, North Carolina

cc: Phillip Anderson, Local Government Commission